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SUBJECT: BOLIVIA HOSTS ANTI-IMPERIALIST ALBA SUMMIT

¶1. (SBU) Summary: Bolivian President Evo Morales played host to the Seventh Summit Meeting of ALBA (the "Bolivarian Alliance for the People of Our America," in its latest iteration) October 16-17 in Cochabamba, Bolivia. Leaders from ALBA's nine member states (Bolivia, Venezuela, Nicaragua, Cuba, Honduras, Ecuador, St. Vincent and the Grenadines, Antigua and Barbuda and Dominica) gathered in a festival-like atmosphere to condemn U.S. imperialism and advance plans for the socialist transformation of Latin America. ALBA leaders endorsed the establishment of a common currency (the "sucre") to replace the U.S. dollar in regional commerce, underscored support for ousted Honduran President Zelaya, reiterated concerns about the U.S.-Colombian base agreement, and outlined proposals for new common state enterprises. Venezuelan President Hugo Chavez proposed a formal military alliance of ALBA states, but Morales appeared cool to the idea, arguing that it requires further study. End Summary.

¶2. (SBU) For two days in the central Bolivian city of Cochabamba, President Morales reveled in meetings, public rallies and press availabilities with his leftist counterparts, particularly Chavez, Ecuadorian President Correa and Nicaraguan President Ortega. Cuba -- which will host the next ALBA summit in just two months -- was represented by Vice President Machado, the Caribbean members by their prime ministers and Honduras by Zelaya's foreign minister, Patricia Rodas. Russian National Security Council Secretary Nikolai Patrushev attended the meetings as an invited observer.

¶3. (SBU) Amid the hours of rhetorical attacks on the U.S. "empire," lofty socialist pronouncements (the creation of a "new and just world"), and recountings of alleged assassination attempts against ALBA's visionaries, the summit participants advanced some concrete agenda items. Seated around a table with a floral arrangement spelling out the words, "Coca is not cocaine," ALBA leaders reiterated their condemnation of Zelaya's ouster and approved the creation of a new common currency, the sucre, to replace the U.S. dollar in intra-ALBA commercial transactions beginning in 2010. ALBA leaders took up Morales's campaign to defend "Mother Earth," agreeing to approach December's COP-15 UN climate talks with a common position demanding compensation for environmental damages caused by leading industrial nations.

¶4. (SBU) There was apparently less enthusiasm, however, for Hugo Chavez's suggestion that ALBA establish itself as a formal military alliance to confront "threats from the empire (the U.S.)." "Who's to stop us from forming such an alliance," Chavez argued, when we are confronted by "an empire that continues to infiltrate our armed forces, using old contacts and reviving fears of communism." Morales responded cautiously, maintaining that such a proposal should be first studied carefully by the militaries of the member states. ALBA members issued a declaration calling on Colombia to reconsider its "base" agreement with the U.S., and reiterated the usual condemnation of the United States as a threat to peace and democracy in the region.

¶5. (SBU) The ALBA leaders endorsed plans to create a host of new state-run entities ("gran nacionales"), including an export-import entity, aluminum, steel, and food production enterprises, a new common media concern (to counter "pro-U.S." international propaganda), and even a chain of ALBA hotels. On the margins of the summit, ALBA organized commercial promotion activities that reportedly included some 177 firms and resulted in 121 million USD in new trade (primarily in the textile sector).

¶6. (SBU) Comment: Many of ALBA's grandiose, statist plans have been greeted with skepticism. An Inter-American Development Bank official was privately dismissive of the sucre as a feasible unit of account, given the poor credibility of ALBA's central banks. The local World Bank representative said ALBA continues to detract from serious efforts to promote regional integration, while promoting extreme economic policies among the indigenous and other marginalized groups. Still, the summit provided Morales and his allies with timely opportunity to showcase their anti-imperialist, anti-U.S. philosophy. Less than two months before general elections here, the summit was no doubt welcomed by Morales as a boost to his carefully cultivated image as a defender of Latin American sovereignty.
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